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| APPLICATION NO.   | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO.       | CONFIRMATION NO. |
|---|-------------|----------------------|---------------------------|------------------|
| 10/066,120  | 01/31/2002  | Paul Reiss           | Hartford-7                | 3332             |
| 45722   | 7590        | 11/09/2007           |                           |                  |
| Plevy Howard, PC<br>P.O. BOX 226<br>Fort Washington, PA 19034 |             |                      | EXAMINER<br>LOFTUS, ANN E |                  |
|   |             |                      | ART UNIT                  | PAPER NUMBER     |
|   |             |                      | 3692                      |                  |
|   |             |                      | MAIL DATE                 | DELIVERY MODE    |
|   |             |                      | 11/09/2007                | PAPER            |

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

Application No.

10/066,120

Applicant(s)

REISS, PAUL

Examiner

Ann Loftus

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 20 August 2007.
- 2a) ☒ This action is FINAL. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1 and 3-29 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1, 3-29 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 6/6/02 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- Paper No(s)/Mail Date \_\_\_\_\_

- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### **Status of Claims**

1. This action is in response to the amendment filed 8/20/07. Claims 1, and 3-29 are pending. Claims 1 and 15 are amended.

### ***Response to Arguments***

2. Applicant's arguments with respect to claims 1, 3-29 have been considered but are moot in view of the new ground(s) of rejection.

As to Official Notices, a traverse must state why the noticed fact is not considered to be common knowledge or well-known in the art (MPEP 2144.03 C). Evidence is provided for the Official Notices in claims 1 and 15, but the other official notices stand as admitted prior art, and are so noted below.

### ***Claim Objections***

3. Claim 4 is objected to because it depends on claim 2 which is cancelled. Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

4. Claims 1 and 3-29 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As to claim 1, the step of identifying a liability balance is unclear. First, the claim says that the liability balance is identified by accumulating values of assets. A liability balance is normally from the values of liabilities. It is unclear how to find a liability balance from the assets. Second, it is not clear when or how the "selected" investment vehicles were selected. There is no selection step. Does the allocation result in a selection of investment vehicles? If so, that relation should be made explicit. Third, the role of the phrase "and said received liability allocation associated with selected ones of said investment vehicles" is unclear. The liability allocation does not have assets, so accumulating assets of it does not make sense. A liability allocation might be 50% growth and 50% bonds; how does one get asset values from that? The examiner will interpret this step to mean : Identifying a liability balance comprising the step of accumulating values of liabilities associated with said account and said one or more deferred payments, according to the allocation of liabilities.

As to the divesting step, does the phrase "a current account" refer to an additional account outside the portfolio? The term "current" is relative; there is no standard for how current an account must be to be current, therefore the metes and bounds of the claim are unclear.

Referring to claims 3 and 4, the investment vehicles are associated with a deferred payment liability, not an asset, therefore it is unclear how the asset balance could be identified by accumulating balances of selected ones of the investment vehicles. The asset balance is associated with the portfolio account, and there is no

indication that the liability allocation has any investment vehicles in common with the assets in the portfolio.

Claim 15, in addition to problems addressed under claim 1, has an additional problem. "Identifying an asset balance ..." is listed once as a coded function, which makes sense, and then also as a system component, which does not make sense.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1, 3-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over OCC Bulletin 2000-23 in view of US Patent 5999917 filed 8/29/96 by Facciani et al. While the pertinent section of the OCC Bulletin is page 13, the applicant is encouraged to consider the entire document.

As to claims 1 and 15, on page 13, OCC 2000-23 teaches hedging a liability created by a deferred payment. It teaches analysis of current and projected asset and liability balances, which would include receiving the allocation of liabilities and identifying the balances. It also teaches establishing a target hedge effectiveness ratio which serves as a known relation between the balances. It teaches measuring this relation and establishing a program to correct imbalance. It also teaches an analysis

reporting process which would provide an indication of when the balances were within the known relation.

OCC 2000-23 does not explicitly teach receiving from said account an allocation of liabilities associated with said at least one deferred payment allocated among at least one of said at least one investment vehicles. Facciani teaches receiving from an account an allocation of liabilities associated with at least one deferred payment allocated among at least one investment vehicle in Fig 4 and col 7, lines 20-41. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 2000-23 to teach receiving from said account an allocation of liabilities associated with said at least one deferred payment allocated among at least one of said at least one investment vehicles in order to collect the information necessary to determine compliance to guidelines and targets.

OCC 2000-23 does not explicitly teach identifying a liability balance comprising the step of accumulating values of assets of selected ones of said investment vehicles among each of said fund categories and said received liability allocation associated with selected ones of said investment vehicles. Facciani teaches identifying a liability balance comprising the step of accumulating values of assets of selected ones of said investment vehicles among each of said fund categories and said received liability allocation associated with selected ones of said investment vehicles in Fig 4 and col 7, lines 20-41. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 2000-23 to teach identifying a liability balance comprising the step of accumulating values of assets of selected ones of said

investment vehicles among each of said fund categories and said received liability allocation associated with selected ones of said investment vehicles in order to determine a liability balance for asset liability management.

OCC 2000-23 teaches identifying an asset balance associated with a portfolio account on page 13.

OCC 2000-23 does not explicitly teach divesting a portion of selected ones of said investment vehicles from a current account when said asset balance exceeds a known relation with regard to said liability balance until the value of the current account is within limits with regard to the known relation to said liability balance. Official Notice is taken that it is an old and well-established business practice for financial institutions to monitor their accounts against guidelines, and to divest holdings in order to bring the accounts into compliance with the guidelines. This Official Notice is supported by US Patent Application 20010034641 filed 2/9/01 (provisional 2/10/2000) by D'Amico et al., especially paragraph 98 on page 6. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 200-23 to add divesting a portion of selected ones of said investment vehicles from a current account when said asset balance exceeds a known relation with regard to said liability balance until the value of the current account is within limits with regard to the known relation to said liability balance in order to determine hedge effectiveness and to alter the program if hedge effectiveness drops below certain levels.

OCC 2000-23 teaches providing an indication when the value of elements of the portfolio account conform to said known relation ("analysis usually documents the correlation between the liability and the equity securities ..." page 13).

As to claims 3 and 4, OCC 2000-23 does not explicitly teach how to find current balances, nor accumulating balances of selected ones of said investment vehicles within said fund categories, and adding corresponding investment gains and/or losses to the accumulated balances. Official Notice is taken that accumulating balances and adding corresponding investment gains and/or losses to the balances are old and well-known practices. This Official Notice is supported by Facciani Fig 2A and col 6. It would have been obvious to a person of ordinary skill in the art at the time of the investment to modify OCC 2000-23 to add nor accumulating balances of selected ones of said - investment vehicles within said fund categories, and adding corresponding investment gains and/or losses to the accumulated balances in order to base asset balances on current values of assets held.

As to claims 5, 6, 19 and 20, OCC 2000-23 does not explicitly teach these types of investment vehicles: cash, equities, stocks, bonds, mortgages, mutual funds, municipal bonds, Corporate bonds, and insurance policies. Official Notice is taken that the investment vehicles listed are old and well-known [admitted prior art]. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 2000-23 to consider these types of investment vehicles because they are common and well known to clients.



Referring to claims 7, 8, 21 and 22, OCC 2000-23 teaches analysis of current and projected asset and liability balances, and reporting of the effect of the hedge on the bank's income statement and capital ratios, showing results both with and without the hedging transaction. OCC 2000-23 teaches reporting said identified liability balance, said asset balance and said indication ("analysis usually documents the correlation between the liability and the equity securities, expected returns..., and ... asset and liability balances.").

OCC 2000-23 does not explicitly teach reporting a liability balance associated with each of said investment vehicles, an asset balance associated with each of said investment vehicles, and an indication for each of said liability balances associated with said investment vehicles when said each of said asset balance is within a known relation to a corresponding one of said liability balance. OCC 2000-23 is an official bank regulation from the Office of the Comptroller of the Currency. Official Notice is taken that in matters of bank regulations, required analysis would be routinely documented and reported in order to provide enduring material for auditors showing that the required analysis had been done [admitted prior art]. Official Notice is also taken that financial reports organized by investment vehicle are old and well-known [admitted prior art]. It would have been obvious to a person of ordinary skill in the art to produce a report detailing the liability balance, the asset balance, and an indication of whether they were in compliance with the relation required by the regulation in order to show auditors that the bank was in compliance with the regulation. It would have been obvious to a person of ordinary skill in the art to organize the report by investment vehicle, showing balances

and compliance by investment vehicle, since the corrective step of divesting may involve assessing each investment vehicle. The person who chooses which investment vehicle to divest may want to know which ones are not in compliance. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 2000-23 to add reporting a liability balance associated with each of said investment vehicles, an asset balance associated with each of said investment vehicles, and an indication for each of said liability balances associated with said investment vehicles when said each of said asset balance is within a known relation to a corresponding one of said liability balance in order to document that the bank was in compliance with target ratios or other target relations.

Referring to claims 9-12 and 23-26, OCC 2000-23 teaches "analysis usually documents the correlation between the liability and the equity securities, expected returns..., and ... asset and liability balances." OCC 2000-23 does not explicitly teach an indication provided when the liability balance exceeds the asset balance, nor the known relation is an equality of the liability balance and the asset balance. Official Notice is taken that in the art of financial accounts, checking relations between balances often includes checking for equality or whether one balance exceeds the other. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 2000-23 to add an indication provided when the liability balance exceeds the asset balance, and also the known relation is an equality of the liability balance and the asset balance in order to assess the effectiveness of the hedging.

Referring to claims 13, 14, 27 and 28, OCC 2000-23 does not explicitly teach investment vehicles sorted into predetermined groups selected from the group comprising large capital, mid-size, small capital, technology sector, and medical sector. Sorting the investment vehicles into predetermined groups does not substantially affect the method or the results. Official Notice is taken that sorting investment vehicles into groups such as large capital, mid-size, small capital, technology sector, medical sector, or the like is old and well-known [admitted prior art]. It would have been obvious to a person of ordinary skill in the art at the time of the invention to sort the investment vehicles by market capitalization or industry sector since these groups are familiar and their behavior as a group would be well-known and serve as a benchmark. For example, poor performance by a particular selection of small capital investment vehicles could be explained by the performance of small capital indexes for the time period. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 2000-23 to add investment vehicles sorted into predetermined groups selected from the group comprising large capital, mid-size, small capital, technology sector, and medical sector in order to apply predictions for these groups to help determine efficient corrective actions.

As to claims 16-18, OCC 2000-23 does not explicitly teach code for identifying the liability balance by accumulating balances of selected ones of said investment vehicles among each of said fund categories, and said received asset allocation associated with selected ones of said investment vehicles. OCC 2000-23 does not explicitly teach code for identifying the asset balance comprises accumulating balances

of the fund categories. OCC 2000-23 does not explicitly teach code for identifying the liability balance further comprises accumulating balances of selected ones of said investment vehicles within said investment vehicles. Official Notice is taken that accumulating balances is an old and well-known practice [admitted prior art]. This Official Notice is supported by Facciani Fig 2A and col 6. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify OCC 2000-23 to add code for identifying the liability balance by accumulating balances of selected ones of said investment vehicles among each of said fund categories, and said received asset allocation associated with selected ones of said investment vehicles and also code for identifying the asset balance comprises accumulating balances of the fund categories and also code for identifying the liability balance further comprises accumulating balances of selected ones of said investment vehicles within said investment vehicles in order to determine a current balance to use to measure compliance with guidelines and targets.

Referring to claim 29, Official Notice is taken that the practice of storing code in memory is old and well-known [admitted prior art]. This Official Notice is supported by Facciani col 4 lines 35-68. It would have been obvious to a person of ordinary skill in the art at the time of the invention to store code in memory to enable computers to execute the code.

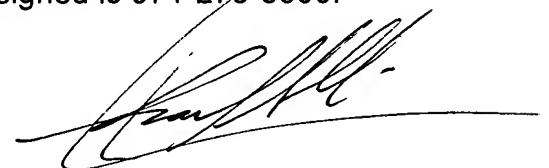
### ***Conclusion***

7. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ann Loftus whose telephone number is 571-272-7342. The examiner can normally be reached on M-F 8-4.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

A handwritten signature in black ink, appearing to read 'Kambiz Abdi', with a long horizontal line extending to the right.

KAMBIZ ABDI  
SUPERVISORY PATENT EXAMINER

Art Unit: 3692

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

AL

10/31/07